

Heatera Land Service
1100 Conrad Jones Drive
Reading MI
49431

666 148

Project Name: Marshall Tucker

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 15th day of Dec., 2007, by and between Ellis Vernie Rine and Wanda P. Rine, husband and wife of Rd 2, Box 49C, Proctor, WV 26055
Phone No. 304-445-1085
hereinafter called the Lessor, and RICHFIELD OIL AND GAS CORP., One Riverfront Plaza, 55 Campau NW, Grand Rapids MI 49503-2616
Phone No., (800) 968-4840, hereinafter called the Lessee, WITNESSETH:

1. That the Lessor, for and in consideration of Ten dollars (\$10.00) and other valuable consideration in hand paid by the Lessee, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby lease and let exclusively unto the Lessee, its successors and assigns, all that certain tract(s) of land hereinafter described, for the purpose of exploring for by geophysical, and other methods, drilling, operating for, producing, removing and marketing oil, gas, and of injecting and storing, air, gas, brine and other substances from any source and into any subsurface strata, other than potable water strata and ~~workable coal strata~~ (including but not limited to the right to inject into any wells on the leasehold property and to otherwise conduct all such secondary or tertiary operations as may be required in the opinion of the Lessee), the right to conduct surveys and to transport by pipelines or otherwise across and through said lands oil, gas and their constituents from the subject and other lands, regardless of the source of such production or the location of the wells, which right to transport production from other properties across the leasehold premises shall survive the term of this lease for so long as the transportation of such production may be desired by the Lessee, and of placing of tanks, equipment, roads and structures thereon to procure and operate for the said products, together with the right to enter into and upon the leased premises at all times for the aforesaid purposes.

Said land is situated in the district of Franklin, in the county of Marshall, in the state of West Virginia bounded substantially by lands now and/or formerly owned as follows:

On the North by the lands of: Wm Hamilton, Donald Gibson
On the East by the lands of: Dale Gallaher
On the South by the lands of: State Route 29
On the West by the lands of: Maria Flores, Walter Streight
Tax Parcel Number(s): 05-14-0010-0000-0500

being all the property owned by Lessor or to which the Lessor may have any rights in said Section/Lot/District or adjoining Sections/Lots/Districts, containing 112.255 acres, more or less, and being the property described in Deed Volume 641, Page 563 of the Marshall County Record of Deeds.

2. This lease shall continue in force and the rights granted hereunder be quietly enjoyed by the Lessee for a term of five (5) years and so much longer thereafter as oil, gas, and/or ~~coalbed methane~~ gas or their constituents are produced or are capable of being produced on the premises in paying quantities, in the judgment of the Lessee, or as the premises shall be operated by the Lessee in the search for oil, gas, and/or ~~coalbed methane~~ gas and as provided in Paragraph 7 following.

3. This lease, however, shall become null and void and all rights of either party hereunder shall cease and terminate unless, within twelve months from the date hereof, a well shall be commenced on the premises, or unless the Lessee shall thereafter pay a delay rental of Five (\$5.00) Dollars per net mineral acre each year, payments to be made annually until the commencement of a well. A well shall be deemed commenced when preparations for drilling have been commenced.

4. In consideration of the premises the Lessee covenants and agrees:

(A) To deliver to the credit of the Lessor in tanks or pipelines, as royalty, free of cost, one-eighth (1/8) of all oil produced and saved from the premises, or at Lessee's option to pay Lessor the market price for such one-eighth (1/8) royalty oil at the published rate for oil of like grade and gravity prevailing on the date such oil is sold into tanks or pipelines.

(B) To pay to the Lessor, as royalty for the oil, gas, and/or ~~coalbed methane~~ gas marketed and used off the premises and produced from each well drilled thereon, the sum of one-eighth (1/8) of the price paid to Lessee per thousand cubic feet or dekatherms of such oil, gas, and/or ~~coalbed methane~~ gas so marketed and used, less or net of any post-production costs paid by or for Lessee to prepare for delivery and to deliver the oil, gas, and/or ~~coalbed methane~~ gas in connection with the sale, including, without limitation, charges for gathering, transportation, products extraction, processing, dehydration, compression, and marketing fees paid to a broker or marketer. Royalties for oil, gas, and/or ~~coalbed methane~~ gas marketed during any calendar month shall be paid on or about the 60th day after receipt of payments for oil, gas and/or ~~coalbed methane~~ gas by Lessee.

(C) Lessee shall also deduct from royalty payments made in accordance with paragraphs (A) and (B) above Lessor's prorata share of any severance or other tax imposed by any governmental body.

5. All money due under this lease shall be paid or tendered to the Lessor by check made payable to the order of and mailed to:

Ellis Vernie Rine and Wanda P. Rine, husband and wife
at RD 2, Box 49C, Proctor, WV 26055

and the said named person shall continue as Lessor's agent to receive any and all sums payable under this lease regardless of changes in ownership in the premises, or in the oil, gas, and/or ~~coalbed methane~~ gas or their constituents, or in the rentals or royalties accruing hereunder until delivery to the Lessee of notice of change of ownership as hereinafter provided.

6. Lessor may, at Lessor's sole risk and cost, lay a pipeline to any one non-coalbed methane gas well on the premises, and take gas produced from said well for domestic use in one dwelling house on the leased premises, at Lessor's own risk, subject to the use and the right of abandonment of the well by the Lessee, and subject to any curtailments or shut-in by any purchaser of the gas. The first two hundred thousand cubic feet of gas taken each year shall be free of cost, but all gas in excess of two hundred thousand cubic feet of gas taken in each year shall be paid for at the last published rates of the gas utility in the town or area nearest to the leased premises or the field market rate, whichever is higher. Lessor to lay and maintain the pipeline and furnish regulators and other necessary equipment at Lessor's expense. Lessor shall also, at the request of Lessee, install a meter to measure said gas. This privilege is upon the condition precedent that the Lessor shall subscribe to and be bound by the reasonable rules and regulations of the Lessee relating to the use of said domestic-use gas, and Lessor shall maintain the said pipeline, regulators and equipment in good repair and free of all gas leaks and operate the same so as not to cause waste or unnecessary leaks of gas. If the Lessor shall take excess gas as aforesaid in any year and fail to pay for the same, the Lessee may deduct payment for such excess gas from any rentals or royalties accruing to the Lessor hereunder. Lessor acknowledges that he has been advised as to the risks inherent in the taking of gas in this manner, and Lessor agrees to assume all such risks whether same be caused by Lessor's lines or equipment, or whether same be caused by Lessee's equipment or well operation; and Lessor agrees to hold Lessee and the well operator and all parties in interest in any well on the leasehold premises harmless from any claims of any nature whatsoever which may rise by the usage of gas from any such well by Lessor, his heirs, executors, administrators and assigns. The within right of domestic use gas shall not be assignable without the written consent of the Lessee. Lessor further agrees that upon the sale or transfer of the leasehold premises wherein someone other than the Lessor is entitled to take the gas under this Paragraph 6, that the gas supply will be terminated by Lessee until the Seller of the property has received written consent to assign said domestic-use gas from Lessee and Buyer executes an agreement regarding the usage of the gas. In the absence of such an agreement and Lessee's written consent to assign said domestic-use gas, domestic-use gas under this provision shall terminate. Under no circumstances shall Lessor be entitled to use domestic-use gas from any well which produces methane gas from coal seams (coalbed methane).

7. In the event a well drilled hereunder is a dry hole and is plugged according to law, this lease shall become null and void and all rights of either party hereunder shall cease and terminate, unless within twelve (12) months from the date of the completion of the plugging of such well, the Lessee shall commence another well, or unless the Lessee after the termination of said twelve month period resumes the payment of delay rental as hereinabove provided.

8. In the event a well drilled hereunder is a producing well and the Lessee is unable to market the production therefrom, or should production cease from a producing well drilled on the premises, or should the Lessee desire to shut in producing wells, the Lessee agrees to pay the Lessor, commencing on the date one year from the completion of such producing well or the cessation of production, or the shutting in of producing wells, an advance royalty of \$1.00 per acre per year until production is marketed and sold off the premises or such well is plugged and abandoned according to law.

9. The consideration, land rentals or royalties paid and to be paid, as herein provided, are and will be accepted by the Lessor as adequate and full consideration for all the rights herein granted to the Lessee, and the further right of drilling or not drilling on the leased premises, whether to offset producing wells on adjacent or adjoining lands or otherwise, as the Lessee may elect.

10. Lessor hereby grants to the Lessee the right at any time to consolidate the leased premises or any part thereof or strata therein with other lands to form a oil, gas, ~~and/or coalbed methane gas~~ development unit of not more than 640 acres, or such larger unit as may be required by state law or regulation for the purpose of drilling a well thereon and Lessee shall be required to maintain a well density of at least 1 well per 160 acres contained in such unit. Any well drilled on said development unit whether or not located on the leased premises, shall nevertheless be deemed to be located upon the leased premises within the meaning and for the provisions and covenants of this lease to the same effect as if all the lands comprising said unit were described in and subject to this lease; provided, however, that only the owner of the lands on which such a non-coalbed methane gas well is located may take gas for use in one dwelling house on such owner's lands in accordance with the provisions of this lease, and provided further that the Lessor agrees to accept, in lieu of the one-eighth (1/8) oil, gas, ~~and/or coalbed methane gas~~ royalty hereinbefore provided, that proportion of such one-eighth (1/8) royalty which the acreage consolidated bears to the total number of acres comprising said development unit. The Lessee shall effect such consolidation by executing a declaration of consolidation with the same formality as this oil, gas, ~~and/or coalbed methane gas~~ lease setting forth the leases or portions thereof consolidated, the royalty distribution and recording the same in the recorder's office at the courthouse in the county in which the leased premises are located and by mailing a copy thereof to the Lessor at the address hereinabove set forth unless the Lessee is furnished with another address. If the well on said development unit shall thereafter be shut in, the well rental for shut-in royalty hereinbefore provided for such use shall be payable to the owners of the parcels of land comprising said unit in the proportion that the acreage of each parcel bears to the entire acreage consolidated. Lessee shall have the right to amend, alter or correct any such consolidation at any time in the same manner as herein provided.

11. In case the Lessor owns a less interest in the above described premises than the entire and undivided fee simple therein, then the royalties and rentals herein provided for shall be paid to the Lessor only in the proportion which such interest bears to the whole and undivided fee. If said land is owned by two or more parties, or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, developed and operated as an entirety, and the rentals and royalties shall be divided among and paid to such several owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage.

12. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

13. Lessee shall have the right to assign and transfer the within lease in whole or in part, and Lessor waives notice of any assignment or transfer of the within lease. Failure of payment of rental or royalty on any part of this lease shall not void this lease as to any other part. Lessor agrees that when and if the within lease is assigned, the Lessee herein shall have no further obligations hereunder. The Lessor further grants to the Lessee, for the protection of the Lessee's interest hereunder, the right to pay and satisfy any claim or lien against the Lessor's interest in the premises as herein leased and thereupon to become subrogated to the rights of such claimant or lien holder, and the right to direct payment of all rentals and royalties to apply on the payment of any existing liens on the premises.

14. Lessee shall bury, when so requested by the Lessor, all pipelines used to conduct oil, gas, ~~and/or coalbed methane gas~~ to, on, through and off the premises and pay all damages to growing crops and drainage tiles and/or other artificial drainage fixture caused by operations under this lease. Lessee agrees to restore the premises in accordance with state laws. Any damages if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one thereof to be appointed by the Lessor, one by the Lessee, and the third by the two so appointed, and the award of such three persons shall be final and conclusive and binding on all parties. Each party shall pay the cost of their appraiser and shall share the cost of the third appraiser. Arbitration shall be mandatory. No well shall be drilled within 200 feet of any existing barn or dwelling.

15. Lessor agrees to abide by all reasonable safety policies of Lessee with respect to Lessee's operations, including but not limited to the following: No structures shall be erected or moved on a location within one hundred feet (100') of a well or tank battery, or within twenty-five feet (25') of Lessee's pipelines.

16. Lessee shall have the privilege of using sufficient oil, gas, ~~coalbed methane gas~~, water, and/or minerals for operating on the premises and the right at any time during or after the expiration of this lease to remove all pipe, well casing, machinery, equipment or fixtures placed on the premises. The Lessee shall have the right to surrender this lease or any portion thereof by written notice to the Lessor describing the portion which it elects to surrender, or by returning the lease to the Lessor with the endorsement of surrender thereof, or by recording the surrender or partial surrender of this lease, any of which shall be a full and legal surrender of this lease as to all of the premises or such portion thereof as the surrender shall indicate and a cancellation of all liabilities under the same of each and all parties hereto relating in any way to the portion or all the premises indicated on said surrender, and the land rental hereinbefore set forth shall be reduced in proportion to the acreage surrendered.

17. In the event the Lessee is unable to perform any of the acts to be performed by the Lessee by reason of force majeure, including but not limited to acts of God, strikes, riots and governmental restrictions including but not limited to restrictions on the use of roads, this lease shall nevertheless remain in full force and effect until the Lessee can perform said act or acts and in no event shall the within lease expire for a period of ninety (90) days after the termination of any force majeure.

18. In the event Lessor considers that Lessee has not complied with any of its obligations hereunder, either express or implied, Lessor shall notify Lessee in writing setting out specifically in what respects Lessee has breached this contract. Lessee shall then have thirty (30) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of thirty (30) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any part of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder.

19. In consideration of the acceptance of this lease by the Lessee, the Lessor agrees for himself and his heirs, successors and assigns, that no other lease for the minerals covered by this lease shall be granted by the Lessor during the term of this lease or any extension or renewal thereof granted to the Lessee herein.

20. Lessor hereby warrants that Lessor is not currently receiving any bonus, rental, production royalty as the result of any prior oil and gas lease covering any or all of the subject premises, and that there are no commercially producing wells currently existing on the subject premises, or upon other lands within the boundaries of a drilling or production unit utilizing all or a part of the subject premises.

21. This lease may, as Lessee's option, be extended as to all or part of the lands covered hereby for an additional primary term of **Five (5)** year(s) commencing on the date that the lease would have expired but for the extension. Lessee may exercise its option by paying or tendering to Lessor annual delay rentals of **Seven and one half (\$7.50)** Dollars instead of **Five (\$5.00) Dollars** as set out in Paragraph 3 above.

22. All covenants and conditions between the parties hereto shall extend to their heirs, personal representatives, successors and assigns, and the Lessor hereby warrants and agrees to defend the title to the lands herein described. It is mutually agreed that this instrument contains and expresses all of the agreements and understandings of the parties in regard to the subject matter thereof, and no implied covenant, agreement or obligation shall be read into this agreement or imposed upon the parties or either of them. Lessor further agrees to sign such additional documents as may be reasonably requested by Lessee to perfect Lessee's title to the oil, gas, ~~and/or coalbed methane gas~~ leased herein and such other documents relating to the sale of production as may be required by Lessee or others. Lessor grants Lessee a power of attorney to execute indemnifying division orders for the sale of oil, gas, ~~and/or coalbed methane gas~~.

23. Lessee and Lessor agree that any access roads, well sites, or pipelines to be constructed under the terms of this lease shall be done in consultation with the Lessor, provided however, the Lessor shall not attempt to prohibit said construction or make unreasonable requests of the Lessee.

24. Lessee agrees that as soon as is reasonably possible, following completion of its operations, Lessee shall restore its well site, as nearly as possible, to its original condition and land contour.

25. Lessee agrees to be a prudent operator and will keep all surface disturbances to the minimum area necessary to conduct its operations.

26. Lessee shall indemnify and hold Lessor harmless from any and all liability, liens, claims and environmental liability arising out of Lessee's operations under the terms of this lease.

27. Lessee agrees to pay Lessor a one-time damage payment of \$500 for each well drilled on the herein leased lands and \$5.00 per rod for all access roads and/or pipelines constructed under the terms of this lease.

IN WITNESS WHEREOF the Lessors have hereunder set their hands.

Witnesses:

Signatures:

Haley Gibson
Wanda P. Rine

Ellis V. Rine
Ellis Vernie Rine
Wanda P. Rine
Wanda P. Rine

INDIVIDUAL ACKNOWLEDGMENT

COUNTY OF *Marshall*

) SS:

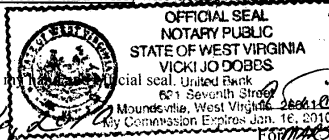
STATE OF West Virginia

JAN PEST
 MARSHALL County 11:40:29 AM
 Instrument No 1248987
 Date Recorded 02/05/2008
 Document Type O&G
 Book-Page 666-148
 Rec/Preserve \$5.00 \$1.00

Before me, a Notary Public in and for said County and State, on this _____ day of _____, 2007, personally appeared **Ellis Vernie Rine and Wanda P. Rine, husband and wife**, who acknowledged that he/she/they did sign the foregoing instrument and that the same is his/her/their free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, United Bank

My Commission Expires: *Jan 14, 2010*



Vicki Jo Dobbs
Vicki Jo Dobbs
 Notary Public
 For *Marshall* County, State of *WV*
 Acting in *Marshall* County, State of *WV*

ADDITIONAL PROVISIONS

28. This lease shall cover all depths and horizons from the surface of the earth to the base of the Wells Creek formation **except** all coal bearing formations. The production of coalbed methane gas from said coal bearing formation is prohibited without the express written consent of the Lessor.

29. Lessee is hereby granted the right to drill through all coal bearing formations not subject to this lease in order to drill and develop any and all the other formations that re subject to this lease for the production of oil, gas, and other hydrocarbons, including condensate and all substances produced in association therewith.

30.

This instrument was prepared by: **Richfield Oil and Gas Corp**, One Riverfront Plaza, 55 Campau NW, Grand Rapids, MI 49503-2616

Richfield WV Rental 102706 361

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STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST, Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing date on the *19th* day of *December*, *2007*, was presented for and by me, admitted to record in my office upon the above certificate as to the parties therein named this *5th* day of *February*, *2008* at *11:40* o'clock *A*.M.

TESTE: *Jan Pest* Clerk.